

**CITY AND COUNTY OF SAN FRANCISCO
DEPARTMENT OF PUBLIC WORKS
ORDER NUMBER 178,949**

**ANNOUNCING THE OPENING OF TICKET SALES FOR THE 2011 CONDOMINIUM
CONVERSION LOTTERY AND THE PROPOSED DATE, TIME AND LOCATION OF THE
LOTTERY DRAWING.**

TICKET SALES:

Ticket sales for the 2011 Condominium Conversion Lottery will commence on Monday *November 29, 2010* at 8:15 AM at 875 Stevenson Street, Room 410. DPW/BSM ticket sale hours are from **8:15 AM to 4:45 PM**, Monday through Friday. The ticket cost is \$250 per application. The Lottery application can be obtained at the address referenced above or at the DPW website www.sfgov.org/site/sfdpw . Only building owners or authorized agents bearing a **letter of authorization** from the building owners will be allowed to purchase tickets. **Ticket sales will end at 4:45 PM on Friday, January 21, 2011.**

LOTTERY DRAWING DATE:

The scheduled 2011 Condominium Conversion Lottery **Drawing will be held on Wednesday February 2, 2011, at 9AM** in Room #400, City Hall, 1 Dr. Carlton B. Goodlett Place.

QUALIFICATIONS FOR MULTIPLE TICKETS:

Multiple tickets for any applicant shall be based on the current 2011 lottery and proof provided for each year of past unsuccessful participation; that is one (1) ticket for the 2011 lottery, one (1) ticket for unsuccessful participation for any and all of the lotteries during the 1990-1994 period, and one (1) ticket for each year of unsuccessful participation in the 1995-2010 period.

You are not eligible for an additional ticket for any year in which you had a winning ticket but failed to convert your building into a condominium.

Multiple tickets for the Condominium Lottery are based solely upon individual applicant(s) qualifications, not the building. In order to qualify for additional tickets, the qualifying individual(s) shall maintain the initial qualifications without interruptions or change of any kind.

The qualification for additional tickets is not transferable between owners.

Unsuccessful past participants must furnish proof of past participation; copies of old tickets for the years between 1990-1994 and copies of approved confirming letters for the Standby List for years 1995-2010 if requested by DPW.

The following describes the method by which the Department will award tickets for previous year's lotteries for 2-4 unit buildings and 5-6 unit buildings. Each is followed by an example that illustrates this method for assigning tickets.

1. 2-4 unit buildings

These applicants may obtain only as many tickets as the amount of years that its most senior qualified owner has participated in the lottery.

Example:

A three unit building originally had the following owners A, B and C:

Owner	Unit	Date that the owner moved into the building	Lottery year qualified to start participating	Amount of tickets potentially qualified for 2011.
A	1	June 1, 1998	2002	10
B	2	April 1, 2001	2005	7
C	3	March 1, 2007	2011	1

If Owner A remains a qualified owner-occupier through the applicable 2011 lottery period, the applicants would be eligible for 10 tickets in the 2011 lottery (one for each of the past 9 years that Owner A participated and one for the 2011 lottery). However, for purposes of this example, assume Owner A moved out in 2010 and Owner B continues to own and occupy through the applicable 2011 lottery period. As a consequence, Owner B became the most senior qualified owner. Based on Owner B's tenure, the applicants are eligible for only 7 tickets in the 2011 lottery (one for each of the past 6 years that Owner B could have participated and one for the 2011 lottery). No credit is given for any of the years former Owner A participated in the lottery as Owner A is no longer a qualified owner.

2. 5-6 unit buildings

These applicants may obtain only as many tickets as the most junior of the three longest tenured qualified owners that have participated in the lottery.

A six unit building originally had the following owners A, B, C, D, and E:

Owner	Unit	Date that the owner moved into the building	Lottery year qualified to participate	Amount of tickets potentially qualified for 2011
A	1	June 1, 1998	2002	10
B	2	June 1, 1998	2002	10
C	3	June 1, 1998	2002	10
D	4	April 1, 2001	2005	7
E	5	July 1, 2004	2008	4
Rental	6	NA	NA	0

If Owners A, B, and C remain qualified owner-occupiers through the applicable 2011 lottery period, the applicants would be eligible for 10 tickets in the 2011 lottery. This would be based on the fact that Owners A, B, and C all have lived in the building since June 1, 1998.

For purposes of this example, assume one of the owners A, B, or C moved out in 2010, in which case the applicants would be eligible for only 7 tickets. This would be based on the fact that Owner D, the most junior of the longest tenured owners, could have participated in only 6 prior lotteries and will get one additional ticket for the 2011 lottery for a total of 7 tickets. No credit is given for any of the years a former owner participated in the lottery as that owner is no longer a qualified owner and their ticket eligibility does not carry over to more recent owners.

By these illustrative scenarios, DPW intends to clarify for lottery participants what has been a long-standing policy and is reflected in the language of Ordinance No. 238-08.

QUALIFYING DOCUMENTS NECESSARY FOR TICKET PURCHASE:

1. Returning applicants without changes in ownership/occupancy status

Returning applicants who participated in the 2007 condominium lottery or after and have not had any changes in ownership of the building and/or any changes in owner occupancy of the building have the option to submit the “**2011 Condominium Lottery Application for Returning Applicants**”.

2. First time participants and returning applicants with change in ownership/occupancy status

Participants must furnish DPW/BSM a copy of **all of the** owner(s) Grant Deeds. **All** applicants will be required to sign and notarize owner’s affidavits provided by DPW-BSM in the Condominium Lottery application in order to satisfy Subdivision Code Sections 1396.2 and 1396.3. The affidavits shall be **signed by all of the building’s owners**. If all of the owners are unable to sign the affidavits, the Department shall assign the building to that portion of the lottery involving the last 25 units of the 200-unit lottery as described

below or the building will not be permitted to participate in the lottery depending on which portion of the affidavit is not signed.

LOTTERY:

LOTTERY DRAWING PROCESS:

The 2011 condominium lottery consists of 200 units. There are up to 100 units available in Pool A and another 100(+) units in Pool B for a total of 200 units.

FIRST 175 WINNING UNIT EVICTION REQUIREMENTS:

The first 175 units selected by lottery in Pools A and B must meet the following requirement of Subdivision Code Sections 1396.3(g)(1): the Applicant for the lottery must certify under penalty of perjury and the Department must verify with the Rent Stabilization and Arbitration Board, and with the Human Rights Commission as applicable, that since November 16, 2004, no eviction as defined in San Francisco Administrative Code Section 37.9(a)(8) – (14) of a senior, disabled person, or catastrophically ill tenant has occurred. If there are not 175 units that meet the requirement noted here, the number of units available in the lottery will be limited to only those units that can satisfy the requirement. If there are more than 175 units that meet this requirement, then the units that satisfy the requirement along with those units unable to satisfy the requirement will compete for a maximum of 25 units that remain in the 200-unit lottery.

EVICTION REQUIREMENTS FOR ALL PARTICIPANTS:

All buildings participating in the 2011 Condominium lottery must meet the following requirements of Subdivision Code Section 1396.2: the Applicant for the lottery must certify under penalty of perjury and the Department must verify with the Rent Stabilization and Arbitration Board, and with the Human Rights Commission as applicable, that since May 1, 2005, no eviction as defined in San Francisco Administrative Code Section 37.9(a)(8), 37.9(A)(10), 37.9(a)(11) or 37.9(a)(13) of a senior, disabled person, or catastrophically ill tenant has occurred unless all the units in the building were owner occupied on April 4, 2006. Furthermore the Applicant for the lottery must certify under penalty of perjury and the Department must verify with the Rent Stabilization and Arbitration Board, and with the Human Rights Commission as applicable, that since May 1, 2005, that the building has not had two or more evictions with each eviction associated with a separate unit(s) unless all the units in the building were owner occupied on April 4, 2006.

POOL A:

Per Subdivision Code Section 1396.3, Pool A shall consist of only those eligible buildings which participated between 1990-2010, but which have failed to be selected for conversion in at least three (3) previous lotteries, two of which must be lotteries held after 1994. Thus, **only those who have been at least three-time** unsuccessful past participants, as defined, will be admitted to Pool A. Pool A will consist of no more than 100 winning units. If the participating buildings in Pool A represent a total of fewer than 100 units, then all Pool A participants will automatically win, and any remaining unallocated units will be placed

in Pool B. If the participating units in Pool A represent more than 100 units, the Department will conduct the Pool A selection process in accordance with class(es) of participants tied to seniority of participation. If the most senior class is greater than 100 units, the Department will conduct a lottery only among this most senior class with each participating building **having an equal chance**, i.e., one (1) ticket for each qualifying building, up to a maximum of 100 units. If the most senior class consists of less than 100 total units, all units in that class will be placed on the Winners' List. The second most senior class then will participate for the remaining units out of the original 100 units. If the second most senior class and the previously selected most senior class have an aggregate amount of more than 100 total units, the Department will conduct a lottery only among the second most senior class to reach a cumulative total in Pool A of up to a maximum of 100 units. Pool A will continue in this same fashion based on classes of seniority until the Pool A 100-unit maximum is reached.

Tickets will be drawn **up to a** maximum of 100 units. If the last ticket drawn in Pool A exceeds the 100-unit limit, it will be returned unidentified to the pool and the unassigned units (a possible maximum of 5 units) will then be placed in Pool B. Any remaining unsuccessful buildings in Pool A will have all of their tickets placed in Pool B to contest for the remaining 100(+) units. Consequently, an unsuccessful participant from Pool A will have all of their eligible tickets for his or her building placed into the Pool B Lottery drawing.

POOL B:

Pool B will consist of 100 units plus any remainder from Pool A. Pool B participants will consist of first time participants and any unsuccessful past participants with all of his or her eligible tickets (including the 2010 ticket). All the remaining units then will be drawn to a combined total maximum of 200 units for both Pool A and Pool B. If the last ticket drawn in Pool B exceeds the 200-unit limit, it will be returned unidentified to the lottery bin and not placed on the Winners' List. Tickets will continue to be drawn and either assigned to the Winners' List or returned to the lottery bin until either 199 or 200 units are reached on the Winners' List.

As part of this selection process, should the Department select a building that meets the Section 1396.3(g)(1), concerning the absence of certain evictions on or after November 16, 2004, requirement and such selection results in the cumulative total of Pool A and B exceeding 175 units, the Department shall place the subject building on the Winner's List even though less than 25 units would remain in the 200-unit lottery. As soon as the cumulative total of Pool A and B meet or exceed 175 units, all remaining buildings, i.e., those unable to satisfy Section 1396.3 concerning certain evictions, shall be added into Pool B and the Department shall complete the 200-unit lottery.

STANDBY LIST:

Once the Winners' List has reached 199 or 200 units, a total of up to 20 buildings will be drawn in order to establish a Standby List. The Department will conduct a Standby List lottery drawing based on seniority, class after class, until it has drawn a total of up to 20 building. Duplicate tickets will be called out and the first ticket drawn for any building drawn more than once will establish its initial placement on the Standby List. Once the 20 buildings have been selected for the Standby List, the remaining tickets will be removed and stored by DPW-BSM. In the event that all of the buildings on the Standby List are

promoted to the Winners' List, the Department of Public Works shall hold a second lottery to create a new Standby List.

WINNERS' LIST:

A Winners' List and Standby List will be available 7 days **after the drawing**. DO NOT CALL IN ADVANCE OF THIS TIME. NO INFORMATION WILL BE AVAILABLE UNTIL THAT DATE.

Edward D. Reiskin
Director of Public Works

RECOMMENDED:

Bruce R. Storrs, County Surveyor
Street-Use and Mapping

APPROVED: October 20, 2010

Edward D. Reiskin